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CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

AIR

SECRET
KAPOK

80K1-33930

74-6-63/2

Chief, SR
Attn: C
Chief, Munich Base

28 April 1958

INFO: COS/O
EE

REDWOOD/LOIMPROVE/AERATH/SUPPORT

AERATH Project

REFERENCE: ERM-5790, 21 Mar 58

ACTION REQUIRED: See below.

Authenticity
Guaranteed

Requested
3000 DM
for CAP-1
for key
money
new office

1. We do not understand the comments in the reference in view of the approval granted by Headquarters for rental of ARCAPELIN/1's new office space (see OIR 35728) in response to our request for such funds (see MUNI 3196). Although our request did not specify that the funds should be obtained via an amendment to the project, we felt it was clear that the project should be amended for this purpose since the AERATH project FY 1958 obviously did not contain sufficient funds for an emergency such as this one was.

2. The housing situation as it now exists in West Germany makes it difficult to rent any quarters, especially office space, for less than a 10 year term. EE accepted the terms of the contract since we felt it was necessary for ARCAPELIN/1 to maintain a secure cover.

3. Regarding other comments in paragraph 3 of the reference, should ARCAPELIN/1 be transferred from Munich, he (and KUNDAK) will be bound to live up to the provisions of the contract which was forwarded to Headquarters under ERM-30793, dated 20 December 1957. However, because of the difficult housing situation, if necessary it is believed that ARCAPELIN/1 will manage to sell the unexpired time of the contract with relative ease and probably little, if any, loss of money.

Approved: C J E J CAP

Distributions:
3 - SR
2 - EE
2 - COS/O

SECRET
KAPOK

Assign Both Project

COPY/RECYCLING	
1	3
2	3
3	03
4	
5	